

## Y Pwyllgor Menter a Busnes

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Lleoliad:

**Ystafell Bwyllgora 3 – y Senedd**

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Dyddiad:

**Dydd Mercher, 11 Mawrth 2015**

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Amser:

**09.15**

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Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales



I gael rhagor o wybodaeth, cysylltwch a:

**Marc Wyn Jones**

Clerc y Pwyllgor

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### Agenda

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#### Rhag-gyfarfod (09.15–09.30)

#### 1 Cyflwyniadau, ymddiheuriadau a dirprwyon

#### 2 Polisi Ardrethi Busnes – Ffederasiwn y Busnesau Bach (09.30–10.30)

(Tudalennau 1 – 22)

Iestyn Davies, Pennaeth Materion Allanol (Gwledydd Datganoledig), Ffederasiwn y  
Busnesau Bach

Josh Miles, Cynghorydd Polisi, Ffederasiwn y Busnesau Bach

Dogfennau atodol:

Y Briff Ymchwil

#### Egwyl (10.30–10.40)

### **3 Polisi Ardrethi Busnes – Craffu ar y Gweinidog (10.40–11.40)**

(Tudalennau 23 – 24)

Edwina Hart, Gweinidog yr Economi, Gwyddoniaeth a Thrafnidiaeth.

Tracey Burke, Cyfarwyddwr Strategaeth, Adran yr Economi, Gwyddoniaeth a Thrafnidiaeth.

Chris Sutton, Cadeirydd y Panel Trethi Busnes

Dogfennau atodol:

EBC(4)–07–15 (p.1) Gweinidog yr Economi, Gwyddoniaeth a Thrafnidiaeth

### **4 Cynnig o dan Reol Sefydlog 17.42 i benderfynu gwahardd y cyhoedd o weddill y cyfarfod.**

### **Ôl-drafodaeth (11.40–11.50)**

### **5 Adroddiad Drafft ar Helpu Pobl Ifanc i Gael Gwaith (11.50–12.00)**

(Tudalennau 25 – 97)

Dogfennau atodol:

Adroddiad Drafft ar Helpu Pobl Ifanc i Gael Gwaith

### **6 Y Flaenraglen waith (12.00–12.15) (Tudalennau 98 – 99)**

Dogfennau atodol:

Blaenraglen waith Haf 2015

### **7 Papurau i'w nodi**

Dogfennau atodol:

**Llythyr oddi wrth Jane Hutt i William Graham ynghylch y Polisi Ardrethi Busnes**

(Tudalennau 100 – 101)

Dogfennau atodol:

EBC(4)–07–15 (p.2) Llythyr oddi wrth Jane Hutt i William Graham ynghylch y Polisi Ardrethi Busnes (Saesneg yn unig)

**Papur ysgrifenedig gan Consortiwm Manwerthu Cymru (Tudalennau 102 – 103)**

Dogfennau atodol:

EBC(4)-07-15 (p.3) Consortiwm Manwerthu Cymru – Ardrethi yng Nghymru (Saesneg yn unig)

**Ymateb Consortiwm Manwerthu Prydain i weinyddu ardrethi busnes yn Lloegr (canfyddiadau interim) (Tudalennau 104 – 111)**

Dogfennau atodol:

EBC(4)-07-15 (p.4) Ymateb Consortiwm Manwerthu Prydain i weinyddu ardrethi busnes yn Lloegr (canfyddiadau interim) (Saesneg yn unig)

**Crynodeb o'r ymweliadau rapporteur ar 12 Chwefror 2015 (Tudalennau 112 – 115)**

Dogfennau atodol:

EBC(4)-07-15 (p.5) Crynodeb o'r ymweliadau rapporteur ar 12 Chwefror 2015

**Llythyr oddi wrth Gomisiynydd Pobl Hŷn Cymru i William Graham ynghylch y Strategaeth Sgiliau ar gyfer Pobl Hŷn (Tudalennau 116 – 117)**

Dogfennau atodol:

EBC(4)-07-15 (p.6) Llythyr oddi wrth Gomisiynydd Pobl Hŷn Cymru i William Graham ynghylch y Strategaeth Sgiliau ar gyfer Pobl Hŷn

## Eitem 2

Mae cyfyngiadau ar y ddogfen hon

**Y Pwyllgor Menter a Busnes**  
**Ardrethi Busnes**  
**Gweinidog yr Economi, Gwyddoniaeth a Thrafnidiaeth**

Diben y papur hwn

1. Mae'r papur hwn yn nodi'r sefyllfa gyfredol o ran y polisi ar ardrethi busnes yng Nghymru ac mae'n cyfeirio at gyfrifoldebau'r gweinidogion ar draws Llywodraeth Cymru.

Cyfrifoldebau Gweinidogion Llywodraeth Cymru o ran Ardrethi Busnes

2. Fel Gweinidog yr Economi, Gwyddoniaeth a Thrafnidiaeth, fi sy'n gyfrifol am bolisi ardrethi busnes yng Nghymru gan gynnwys y berthynas rhwng ardrethi busnes a datblygiad economaidd.
3. Y Gweinidog Gwasanaethau Cyhoeddus sy'n gyfrifol am faterion sy'n ymwneud ag agweddau gweithredol ar ardrethi busnes gan gynnwys casglu ardrethi a gwaith Asiantaeth y Swyddfa Brisió. Y Gweinidog Cyllid sy'n gyfrifol am y trefniadau ariannol ar gyfer datganoli ardrethi busnes i Gymru. Mae hynny'n cynnwys cynnal trafodaethau gyda Llywodraeth y DU am drefniadau'r setliad terfynol.

Adroddiad y Panel Ardrethi Busnes, 'Datganoli Ardrethi Busnes i Gymru'.

4. Sefydlais y Panel Ardrethi Busnes yn 2014. Diben hynny oedd edrych ar yr amryfal argymhellion a gyflwynwyd gan y Grŵp Gorchwyl a Gorffen ar Ardrethi Busnes ac i ystyried dull strategol o fynd i'r afael ag ardrethi busnes yn dilyn datganoli. Cyflwynodd y Panel ei adroddiad ym mis Chwefror. Mae'r papur hwnnw wedi'i ddsbarthu ymhlith Aelodau'r Cynulliad ac rydw i wedi gofyn am sylwadau ar yr adroddiad. Mae'r adroddiad ar gael yma:  
<http://wales.gov.uk/topics/businessandconomy/policy/business-rates/?skip=1&lang=cy>

5. Mae'r adroddiad hwn yn cynnwys 13 o argymhellion ar y prif faterion ac yn nodi dull strategol ynghyd â'r camau gweithredu arfaethedig ar gyfer y tymor byr, y tymor canolig a'r tymor hir. Dyma rai o'r prif bwyntiau:
- a. Yn y tymor byr, mae angen system sefydlog,
  - b. Mae datganoli ardrethi busnes yn rhoi cyfle inni wneud y system yn gydnaws mewn modd sy'n adlewyrchu polisi ond ni ddylai ardrethi busnes fod yn ateb i bopeth,
  - c. Mae newid ardrethi busnes yn gostus a gall y gost fod yn sylweddol Mae'r Panel yn nodi bod gan ardrethi busnes rôl bwysig i'w chwarae yn y gwaith o ariannu gwasanaethau cyhoeddus hanfodol. Wrth benderfynu ar gyflwyno newidiadau i'r system honno, bydd angen ystyried hynny,
  - d. Bydd o fantais sicrhau bod y system yn gydnaws i raddau â'r system sy'n bodoli yn Lloegr a dylid gosod terfynau uchel ar gyfer newid y system yng Nghymru,
  - e. Ar gyfer y tymor canolig, mae'r Panel wedi argymhell adolygiad cynhwysfawr o'r rhyddhad ar ardrethi a'r esemptiadau,
  - f. Yn y tymor hir, ac yn dilyn uno'r awdurdodau lleol, mae'r Panel wedi argymhell y dylid ystyried cadw ardrethi busnes yn lleol.

### Y Camau Nesaf

6. Edrychaf ymlaen at glywed barn y Pwyllgor ar yr argymhellion a wneir yn yr adroddiad hwn. Byddaf yn llunio amserlen ar gyfer y camau y bydd angen eu cymryd yn y dyfodol er mwyn datblygu'r system gywir ar gyfer Cymru.

Mae cyfyngiadau ar y ddogfen hon

# Eitem 6

Mae cyfyngiadau ar y ddogfen hon



# Eitem 7.1

Jane Hutt AC / AM  
Y Gweinidog Cyllid a Busnes y Llywodraeth  
Minister for Finance and Government Business



Llywodraeth Cymru  
Welsh Government

William Graham AM  
Chair, Enterprise and Business Committee  
National Assembly for Wales  
Ty Hywel  
Cardiff Bay  
CF99 1NA

5 March 2015

*Dear William,*

## **Business Rates Policy**

I am writing in response to your letter of 24 February, asking for clarification and explanation of a number of points relating to Business Rates. My replies to the points you raise are provided below.

### Details of Business rates devolution and the block grant adjustment

The main budgetary change arising from the full devolution of Non-Domestic Rates (NDR) will be the transfer of expenditure financed by NDR in Wales from the Departmental Expenditure Limit (DEL) to Annually Managed Expenditure (AME). The DEL corresponds to the Wales block grant, which is generally determined as part of UK Government spending reviews by application of the Barnett formula, while AME is set and managed on an annual basis. The details of this change were agreed in advance of the Autumn Statement in December 2014. The size of the transfer from DEL to AME will be confirmed at the time of the UK Government's budget.

In addition to the above, there will be a re-working of the 2013 Spending Round settlement which will mean that the Welsh Government DEL in 2016-17 and future years will be £98.5 million higher than it would otherwise have been. The same amount will be included in a new cash reserve, established to help manage devolved taxes.

### How revenue raised from business rates in Wales will directly affect the Welsh Government's budget following full devolution of business rates

As noted, expenditure financed by NDR will be in AME following devolution. It will be outside the block grant and changes to it will be determined by the level of NDR revenues collected, rather than by the Barnett formula. As a result, the two main components of the Welsh Government's overall budget will be the DEL (determined by the Barnett formula) and NDR-financed expenditure in AME (determined by NDR revenues).

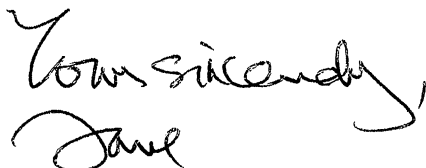
Plans to monitor and report on revenue raised from business rates

My officials will work closely with those in the departments of the Minister for Public Services and the Minister for Economy, Science and Transport to maintain accurate and up-to-date assessments of NDR revenues. These assessments will draw on information from local authorities and from the Valuation Office Agency.

As now, the level of revenues and distributions will be reported annually in the Non-Domestic Rating Account for Wales. Detailed statistics on NDR revenues are also published on Statswales, the Welsh Government's on-line data repository. In addition, the Welsh Government budget will show expenditure financed by NDR as a separate item.

Your final question relates to how I work with the Minister for EST on business rates. I have worked closely with the Minister in preparation for full NDR devolution and will continue to do so over the transition period and going forward.

I am copying this letter to the Minister for Economy, Science and Transport and the Minister for Public Services.

A handwritten signature in black ink, appearing to read 'Jane Hutt', with a stylized flourish at the end.

**Jane Hutt AC / AM**

Y Gweinidog Cyllid a Busnes y Llywodraeth  
Minister for Finance and Government Business

### Business Rates – Investing in the future of Welsh Communities

*There is broad consensus that the business rates system is woefully out of date. The current system disincentivises investment in property and this has had a seriously detrimental impact on our town centres and high streets and restricted consumer choice. We believe the time is right to develop a new tax that encourages businesses in Wales to invest and create jobs, supports the regeneration of communities, serves consumers well and ensures a stable and equitable tax contribution from business to Government.*

Retail pays approximately a quarter of all business rates in Wales contributing over £237 million to the non-domestic ratings pool. Total Wales business rates take is £910 million.

When business rates were introduced in 1990 the rate was set at 34.8 per cent but the average of the rates at each of the last revaluations is 42.1 per cent. The current rate in Wales is 47.3 per cent.

An increasing proportion of business taxation is therefore contributed through a fixed tax which, unlike other taxes, does not vary to reflect business profitability, ability to pay or broader economic conditions.

Across the UK every one per cent change in the vacancy rate is 50,000 jobs. Our high streets are seeing increases in vacancy rates which currently stand at over 14%. Fifty per cent of leases are up for renewal in the next three years.

For every £1 in corporation tax retailers pay £2.31 in business rates, compared to £1 to 44p for other industries. If rates had grown in line with RPI over the last decade they would now be £2bn pa lower.

It is important for the Welsh Government to ensure that business rates reform, including retention or expansion of reliefs does not add unnecessary cost and complexity upon full devolution in April 2015.

**We have the opportunity to show that Wales is 'Open for Business' by taking an innovative approach to our rates system, one which is an investment enabler rather than one that penalises growth and job creation.**

#### ***Avoid unnecessary and counter-productive sectoral supplements***

Targeting a single part of a single sector inevitably sends out the wrong signals to existing and potential investors. Any such proposals are short-sighted and counter-productive and should be avoided by the Welsh Government. Wales should avoid the self-inflicted damage that Scotland (£35m a year) and Northern Ireland (£7m a year) have got themselves into with their larger retailer levies.

# WELSH RETAIL CONSORTIUM



## ***Inflation linked uplifts must be addressed***

The WRC encourages the Welsh Government to review annual RPI Uplifts and switch to a more proportionate measure of inflation which better reflects the economic conditions faced by retailers, such as CPI.

## ***Local Incentivisation***

WRC supports business rate reforms which will give local authorities greater responsibility for their finances including initiatives that are designed to give local authorities greater incentives to raise the finance they need through economic growth and investment. However, consistency in approaches across local authorities is important meaning it is both sensible and practical for the poundage rate to be set centrally. The temptation to increase business rates to make up for budget shortfalls may be tempting for some local authorities, which could have harmful impacts on local business and employment. ***Incentivisation must encourage genuine business growth***

Local authority independence must not be merely an exercise in revenue maximisation, where local authorities take a heavy handed and punitive approach to rates enforcement while doing little to grow their business base. The basic structure of reform should ensure any growth in business rates within a borough should help stimulate further growth in the form of key investments.

## ***Small Business Rates Relief***

The WRC supports the principle behind the original SBRR scheme which was designed to counter the disproportionately high impact that business rates have on small businesses. However, the WRC is keen to ensure that the SBRR scheme is appropriately and sustainably funded and does not add additional costs to non-qualifying businesses.

It is our recommendation that following full devolution a fundamental review of rates is agreed, with the aim of unleashing investment and creating jobs, enabling successful re-invention of our high streets, creating a 21<sup>st</sup> century competitive tax system and to support other industrial investment.

### **Our 4 Principles for fundamental reform**

- 1. A reduced burden that will drive positive business investment and support economic growth**
- 2. The yield from the tax should rise and fall in line with the underlying measure**
- 3. Business rates should be more equitably distributed to take account of different industry contributions to the economy**
- 4. The system should include incentives to drive positive behaviours**

## **The British Retail Consortium (BRC) response to the administration of business rates in England (interim findings)**

Thursday 26 February 2015

This paper sets out the British Retail Consortium's views on business rates reform and puts forward the industry's feedback on the relevant consultation questions.

### **About the BRC**

The BRC is the lead trade association for the entire retail industry. Diverse and exciting, our industry spans large multiples, independents, high streets and out of town, from online to bricks and mortar, selling goods across all industries from clothing, footwear, food and homeware to electronics, health & beauty, jewellery and everything in between, to increasingly discerning consumers. Our mission is to make a positive difference to our industry by advancing vibrant and consumer-focused retail. We stand for what is important to the industry and work in partnership with our members to shape debates and influence outcomes. We work with the Government to ensure a competitive market which creates the right conditions for growth and innovation, we champion great careers and we promote responsible retail's vital role in the community.

### **Structural reform**

The BRC welcomes the Government's commitment to both administrative and structural reform of business rates in England. We view both initiatives as critical to ensuring retail and other industries are taxed fairly and equitably, ensuring investment is incentivised benefiting business and the economy more broadly.

Business rates are the highest commercial property tax in the European Union and one of the highest in the OECD, which is why there is broad support amongst the business community for fundamental reform of the system as announced by Chancellor George Osborne in last year's Autumn Statement.

As the structural review progresses, it should aim to ensure that the business rates system is made fit for purpose for a 21<sup>st</sup> century economy. The potential scope for error in a new system of local taxation means that any new system will need to be thoroughly researched and tested. Businesses will judge the credibility of the review on how rigorously it assesses the options for making local business taxation:

- Fairer to businesses across the UK;
- Internationally competitive;
- Flexible enough to respond to the economic cycle and both their national and local impacts;
- Free of the perverse incentives of the current system – particularly for businesses to invest.

- We believe the review should seek authoritative and independent analysis as it progresses, with recommendations for change developed after looking at alternative systems. Objective consideration of supporting evidence will be required.
- We note the intention of the Government to maintain ‘fiscal neutrality’ through any proposed change. While we appreciate that the revenue impact must be a consideration for the review, we are concerned that a narrow definition of fiscal neutrality would have the effect of prematurely narrowing the review’s terms of reference, and subsequently undermining its credibility.

Given the complexity and importance of the issue we encourage government to ensure that a structural review leaves everything on the table to ensure central government, local government and business objectives are achieved. However, in the interim there are short-term steps as outlined as part of the administration review that can be implemented relatively easily.

The BRC encourages the Government to continue moving forward with the reform of the administration of business rates to ensure they are implemented more fairly to help ensure the business environment is hospitable for employers.

## **Key questions**

### **1) What are your views on the findings and analysis at Annex A on the impact of more frequent revaluations?**

The BRC strongly supports more frequent valuations, and we consider that this goal should be progressed as a matter of urgency. Page 9 of the Government’s interim response correctly acknowledges “that more frequent revaluations would make rates bills more responsive to relative changes in the property market.” It comes down to the basic conclusion based on the Valuation Office Agency’s (VOA) analysis “that more frequent revaluations could improve fairness in the rating system by ensuring bills reflect relative changes in rental values”.

The response also states that “some properties whose rents have fallen by less than the average could see their rates bill increase” and that may seem unfair. However, this is presently the case within the current system and in fact is a huge source of frustration as ratepayers are locked into the consequences for five or more years.

It is recognised that movements in property values are cyclical and that it cannot be guaranteed the valuation process will take place at the ‘right’ moment to reflect a particular trend in the property market. However, more frequent valuations are preferred because presently there is no guarantee of an accurate assessment set at the valuation before being locked into a five year or more valuation. The estimated rental value is dependent upon the point in the cycle at which the valuation takes place but with greater frequency this is still preferable to the current method, which relies on substantially outdated information. The retail sector in particular is especially sensitive to recession meaning more frequent revaluations should adjust to the current economic circumstances ratepayers are facing.

It is recognised that more frequent valuations would result in adjustments to business rates liability more often. However, this is preferred to the inherent unfairness of the current system, as retailers are likely to experience an overall reduction in the degree of volatility with more frequent revaluations. This is because changes are likely to be smaller year on year, thus avoiding the large increases in business rates liability that can occur every five or more years under the current

system. It is also worth noting that business rates already fluctuate for businesses on an annual basis due to the adjustment to the multiplier based on the previous September's RPI, as well as accounting for loss of appeals and small business rate relief.

We understand a number of respondents have suggested a range of different possible increases in the frequency of valuations, which would increase the accuracy and responsiveness of the system. The fundamentally important point is that more frequent valuations are more equitable, and that they should be conducted as often as practical. We have stated the eventual outcome should be to have revaluations on an annual basis, but there is scope for the Government to conduct further analysis for a range of different frequencies factoring intended and unintended consequences. It is likely any move to more frequent valuations would require a steady transition period to avoid unintended consequences.

## **2) How do you think more frequent revaluations would affect your business/local authority?**

More frequent revaluations would underpin a fairer approach. Greater frequency in the revaluation process should mean each property pays a bill based upon a rateable value that is as close to actual value as is possible – whereas under the present system property values can be nine years out of date by the time at which business rates liability is realigned. More frequent valuations make the tax responsive to the actual state of the property market and would be likely to have economic advantages by reducing the disproportionate burden of taxation on businesses in economic downturns. More frequent revaluations would certainly lead to fewer appeals as there would be less reason or incentive to do so. Fewer appeals based on more frequent revaluations have been observed in countries like the Netherlands and Hong Kong.

More frequent valuations would require retailers to operate with more flexibility to take account of the more frequent change in valuation. This will require culture change within businesses, local authorities and the VOA, but this is very much possible and preferable to retailers as it would lead to a more equitable, efficient system where values are more in line with market fluctuations.

On page 13 of the Government's interim response it is noted local government has expressed concerns that more frequent valuations would make rates income more difficult to forecast creating uncertainty for funding public services. Firstly, in response, it is clear that the existing system already creates uncertainty at times of current revaluation (every 5-7 years) but local authorities have been able to plan accordingly. Protections are currently in place to avoid local authorities being especially hard hit by a reduction in business rates within their particular area. More frequent valuations would lead to more certainty because there would be fewer appeals and fewer significant fluctuations. Secondly, it is important that the impact of business rates on those paying the tax is not overlooked. Bills are already at the upper tolerance level for retailers of all sizes. For instance, the UK imposes among the highest property taxes in the EU<sup>1</sup> and OECD.<sup>2</sup> Successful local authorities recognise the value of investing in business friendly approaches which encourage present ratepayers to stay and expand, and encourage others to locate there – as a result increasing their overall tax take.

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<sup>1</sup> Taxation trends in the European Union, Eurostat, [http://ec.europa.eu/taxation\\_customs/resources/documents/taxation/gen\\_info/economic\\_analysis/tax\\_structures/2014/report.pdf](http://ec.europa.eu/taxation_customs/resources/documents/taxation/gen_info/economic_analysis/tax_structures/2014/report.pdf)

<sup>2</sup> Revenue Statistics 2014, OECD, <http://www.oecd.org/tax/tax-policy/revenue-statistics-19963726.htm>

**3) Running a revaluation presents costs for ratepayers, as well as central and local government. What are your views on how these costs can be managed?**

Our view is that it is vitally important that any move to greater frequency should be accompanied by other improvement measures. A focus on better quality valuations for the largest properties coupled with modernisation of billing and administration would deliver significant benefits which would help to offset any resulting costs. The increase in 'quick fixes' which has, over time, added further complexity demonstrates the importance of implementing both administration and structural business rates reform.

Removing the smallest hereditaments in England – for example those with rateable values below £12,000 – from the financial and administrative burden of business rates would have a net positive economic effect. This band contributes just 9.1 per cent of business rates, but because of the Small Business Rate Relief (SBRR) it pays a smaller amount around 6 per cent. Reforming the system so that properties below the rateable value of £12,000 are removed from the burden of business rates would substantially reduce the costs of administration and therefore avoid unnecessarily raising the burden for remaining ratepayers. It may also be worth exploring whether a transitional rate for properties valued above £12,000 is practical to avoid an unnecessary cliff edge.

**4) What are your views on how the gap between the valuation date and the date on which the rating list starts could be reduced, while still ensuring the accuracy of the rating list?**

Reducing the number of assessments as we propose should significantly improve the process, but it will require some investment in the system. However, it would be expected that the time between the valuation date and the date on which the rating list starts would be appropriately reduced. This is a positive trade-off acceptable to business caused by more frequent valuations.

Valuations would naturally be more accurate the more often they are conducted. The current two years between the valuation and the date the revaluation comes into effect illustrates the need for more frequent revaluations. The two years required under the current system to ensure accuracy of the rating list is the result of valuation taking place every five or more years.

**5) If the government made it easier for ratepayers to check or seek changes to a property's rateable value through informal routes, would this be likely to reduce the number of formal challenges?**

More information is needed on the proposed informal routes, but alternative routes would likely reduce the need for formal challenges. An informal route could lead to reasoned commercial decisions being made on the merits of an appeal by providing greater transparency as to the way in which the property has been assessed. Improved availability of additional information would support this process. At the same time, the BRC believes a more substantive approach to reduce challenges is to have more frequent valuations. More frequent valuations decrease the incentive to challenge and appeal decisions.

Conversations and the availability of data between the VOA and ratepayers are needed which include details of how the valuation was determined before publishing the rating list. If productive engagement does not take place before the publication of the rating list a formal appeals process is more likely to be required.



The current level of service between ratepayers and the VOA is inconsistent. This may be caused by VOA personnel being under resourced to effectively engage with ratepayers meaning there may be scope for an additional tier of service, which could assist ratepayers with sharing basic information enabling valuation officers to carry out non-administrative work.

**6) If the government asked for more information from ratepayers or levied a charge as part of the formal appeal process would this lead to a more efficient system?**

No, the substantial amount already levied on businesses should be more than sufficient to result in an efficient appeals system. Rather than penalising those businesses who believe there is a valid reason to appeal the BRC recommends more frequent and quality valuations to reduce the attractiveness of an appeal in the first place. There is not a substantive reason ratepayers should have to appeal a decision to receive straight forward clarification of information from the VOA. Instead new processes should be implemented so that information is adequately shared to avoid unnecessary appeals. The current system lacks appropriate supporting information from the VOA justifying their valuation. It is also at odds with the current practice in the Rent Review market where an open exchange of information between the parties provides clarity and transparency.

**7) What impact do you think the ideas in this paper could have as a whole on the approach to challenging and appealing rateable values?**

Appeals are made when ratepayers have reason to believe the assessment is inaccurate. In the Netherlands after they transitioned from valuations on a five-year basis to annually they were able to reduce the number of appeals by 80 per cent and the costs of administration. If more frequent revaluations are introduced, the incentive to appeal is significantly reduced. This would lead to cost savings for businesses and the VOA. In addition to removing the incentive to appeal, careful consideration needs to be given to methods to provide ratepayers with assurance that there is no need to appeal. This can be best achieved by fuller early disclosure of rental evidence by the VOA.

Further reform is needed of the current appeals process including clear separation of the roles of the VOA and the Valuation Tribunal for England (VTE).

Backdating of rating assessments has proved contentious and inequitable on ratepayers in a number of scenarios and we would call on the Government to restrict the effective date of alterations to the rating list to 1 April of the current rating year. This approach would be more in line with the Government's decision, coming into effect 1 April 2015, to limit backdating changes to assessments brought about by successful ratepayer appeals.

**8) What are your views on box 3.B in chapter 3 which sets out what a new system for challenging and appealing rateable values could look like?**

We support a review of the appeals process that would allow the challenger to outline their case and have discussions with the VOA prior to a formal appeal to the VTE. Many appeals could probably be avoided if the VOA was able to more freely share information indicating how a particular valuation was reached. A more transparent appeals process in Hong Kong has drastically reduced the number of challenges and appeals where in 2012/13 less than one per cent (.005%) of ratepayers formally appealed and just 2 per cent (2.09%) challenged assessments.<sup>3</sup>

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<sup>3</sup> Better Rates for Better Business, British Property Federation, [http://www.bpf.org.uk/en/files/bpf\\_documents/finance/Better\\_Rates\\_for\\_Better\\_Business\\_full\\_report.pdf](http://www.bpf.org.uk/en/files/bpf_documents/finance/Better_Rates_for_Better_Business_full_report.pdf)

It has been suggested within the interim findings that 70 per cent of total appeals result in no change and that many do not state the reason for appeal. However, many appeals are withdrawn as a result of the VOA itself altering the rating list following negotiations or as a result of the appeal becoming 'historic' due to a further alteration by the VOA.

It is also worth reviewing the procedure for refunding overpayments after ratepayers successfully appeal an assessment. Often ratepayers must wait long periods of time to be refunded large sums presently without interest paid. The current system is unfair to those found to have been paying more than their fair share which sometimes causes serious cash flow consequences. The same money could be invested in business improvements such as providing employment.

**9) Do you have examples of best practice ways to gather and share taxpayers' property data that you would like the government's information sharing forum to consider?**

We support the Government's intent to change the law to allow greater sharing of information between the VOA and local government. It is common at the moment for ratepayers to have to provide the same information about their business or property to both the VOA and the local authority. A gateway which may require further legislation needs to be developed enabling the VOA to share information with local authorities and vice versa.

The BRC is pleased to have been invited to participate on the forum exploring the exchange of information. We recognise both the importance of safeguarding sensitive commercial information whilst ensuring ratepayers have access to information that may affect their individual valuation. Information should not be published for everyone to see, but it is reasonable for it to be made available to those it impacts earlier within the process. We are committed to remain actively engaged in how the current process can be improved.

**10) What is your view on the suggestion that ratepayers should be required by law to provide information about their property?**

It is important for information on properties to be made available to result in accurate valuations, but any requirement should be for ratepayers to share the relevant information voluntarily within a single submission and for billing authorities and the VOA to share the information with one another as necessary. We are not aware of problems of information not being submitted; therefore responding to requests for information should remain voluntary opposed to written in law.

The Valuation Office has responsibility for maintaining a fair and accurate rating list and there are currently many avenues for the VOA and local authorities to consider appropriate changes that affect value. Requiring business to disclose information more than once would be an unnecessary burden. Local government already has access to a large amount of data on properties (based on planning, licensing, building control, etc.) therefore more should be done to bring this information together rather than placing additional burdens on ratepayers.

Local authorities have a statutory duty to share information which may affect the accuracy of the rating list with the VOA. Perhaps there could be additional incentives for local authorities and the VOA to effectively share information with one another beyond local authorities' direct interest in business rates growth in their area. There may also be the potential for local authorities and the

VOA to work more cooperatively. For instance, when inspections of the property are needed there could be just one opposed to the local authority and VOA conducting two separate inspections.

On page 15 of the Government's interim findings it suggests "making changes to the provision of rental information" to ensure accuracy and reduce the need for appeals. Further clarification is needed to determine what kind of information may be required beyond what government already has available to them. We look forward to engaging with the Government further through the information sharing forum and other avenues to ensure the need to make information related to a valuation available to appropriate parties whilst protecting sensitive commercial information.

**11) What are the practical steps government could take to make it easier to access information and how would you use that information?**

Effective IT infrastructure is needed to deal with the increased frequency of revaluations as the BRC proposes. Investment in greater data connectivity including a drive to online billing ensures enhanced accuracy and fairness. Further coordination between the VOA and billing authorities would also have the added benefit of making information more accessible.

Some billing authorities' recognition of the need for improving access to information has led them to consider developing their own portals, but in reality this is counterproductive for businesses or rating agents operating across multiple authorities. Instead, a single online portal perhaps hosted by HM Revenue and Customs (HMRC) which would enable ratepayers to visit one site and be able to access information on their properties across the 326 billing authorities should be considered. Set up costs for a central portal would include IT systems, software, support and training.

**12) Do you have further suggestions to add to the ideas listed in this paper which you think the government's new billing and collection forum should consider?**

Suggestions outlined within the interim findings seem sensible. The most important element for billing and collection is for it to be clear and understandable. This could be assisted by a move to a more electronic process and potentially a central online portal where ratepayers could access billing information from all the relevant billing authorities in one place. Approximately one-third of billing is managed electronically suggesting there is ample room for improvement. Currently businesses often must have several different logins and passwords depending on the billing authority or worse yet receive excessive paperwork via post.

**13) What do you see as the main costs and benefits to your business/local authority of a more digital billing and collection system?**

Benefits of a digitised billing and collection system for businesses include bills arriving to the appropriate point of contact, ensuring bills are processed efficiently and eliminating unnecessary amounts of paperwork. Other than the upfront investment needed there is little downside and it would ultimately lead to long-term savings and improved satisfaction levels for all parties.

A purely postal billing system seems unnecessarily antiquated. There are frequently occasions when erroneous bills arrive at a head office weeks after the due date. Despite individual billing authorities being responsible for collection there could potentially be a system in place for ratepayers operating across multiple billing authorities to share a single designated person and/or email address where all bills should be sent. The information could be shared and updated through

an intermediary such as HMRC, Department for Communities and Local Government (DCLG), HM Treasury or the VOA and made available to billing authorities, saving time and resources.

**14) What are your views on the key issues with billing that best practice guidance for standard and clear bills should address?**

It is important that information is clearly presented and that billing documents are easy to understand and follow. We recommend there be a single template including the same format of information and data to be used across all billing authorities enabling authorities to add their logo and contact information in the appropriate place. We see no reason for there to be varying billing forms across different authorities. These changes would assist billing authorities as well as make it simpler for ratepayers to process bills in a timely manner. In the past samples of good practice have been shared with DCLG which could be reviewed again if helpful.

**Contact Details:**

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# Eitem 7.4

## Ymweliadau rapporteur ar 12 Chwefror

Ar 12 Chwefror 2015, aeth Aelodau'r Pwyllgor Menter a Busnes ar nifer o ymweliadau rapporteur i glywed barn, ac i glywed am brofiadau, rhanddeiliaid sy'n gweithio gyda phobl dros 50 mlwydd oed, i'w helpu i ddod o hyd i gyflogaeth, a hefyd i glywed gan gyflogwyr sy'n cyflogi pobl dros 50 oed mlwydd oed.

Bu Aelodau'r Pwyllgor yn ymweld â'r lleoliadau canlynol:

- Bwrdd Iechyd Prifysgol Betsi Cadwaladr
- Cyngor Sir Benfro
- Working Links (Caerdydd)
- Cyngres yr Undebau Llafur Cymru
- NIACE Cymru
- John Lewis (Caerdydd)

### Bwrdd Iechyd Prifysgol Betsi Cadwaladr

Bwrdd Iechyd Prifysgol Betsi Cadwaladr yw un o'r cyflogwyr mwyaf yng Ngogledd Cymru. Mewn partneriaeth â chwmni recriwtio allanol, mae'r bwrdd iechyd yn ymdrechu i ddatblygu mentrau cyfeillgar i oed annog ymgeiswyr newydd dros 50 mlwydd oed.

Hwn yw'r sefydliad iechyd mwyaf yng Nghymru, sy'n darparu ystod lawn o wasanaethau sylfaenol, gwasanaethau cymunedol, gwasanaethau iechyd meddwl a gwasanaethau ysbytai llym ar gyfer poblogaeth o oddeutu 676,000 o bobl mewn chwe sir yng ngogledd Cymru (Ynys Môn, Gwynedd, Conwy, Sir Ddinbych, Sir y Fflint a Wrecsam) yn ogystal â rhai rhannau o ganolbarth Cymru, Swydd Gaer a Swydd Amwythig. Mae'n cyflogi oddeutu 16,100 o staff ac mae ganddo gyllideb o oddeutu £1.2 biliwn.

Mae'r Bwrdd Iechyd yn gyfrifol am weithrediad tri ysbyty cyffredinol (Ysbyty Gwynedd ym Mangor, Ysbyty Glan Clwyd ym Modelwyddan ac Ysbyty Maelor, Wrecsam) yn ogystal â 18 ysbyty cymuned ac ysbyty llym eraill, a rhwydwaith o oddeutu 90 o ganolfannau iechyd, clinigau, lleoliadau timau iechyd cymunedol ac unedau iechyd meddwl. Mae'r Bwrdd Iechyd hefyd yn cydgysylltu gwaith 115 practis Meddygon Teulu a gwasanaethau GIG a ddarperir gan ddeintyddion, optegwyr a fferyllfeydd yng Ngogledd Cymru.

**Roedd y meysydd a drafodwyd yn y cyfarfod yn cynnwys:**

- Y Bwrdd Iechyd fel cyflogwr pobl dros 50 mlwydd oed
- Recriwtio pobl dros 50 mlwydd oed;
- Rhwystrau i gyflogaeth ar gyfer pobl dros 50 mlwydd oed;
- Unrhyw argymhellion ar gyfer Llywodraeth Cymru

## **Cyngor Sir Benfro**

Cyflwynodd Sarah Rochira, Comisiynydd Pobl Hŷn Cymru dystysgrif i Gyngor Sir Benfro ym mis Hydref 2014 i nodi cymeradwyaeth y Cyngor o Ddatganiad Dulyn 2013. Mae Datganiad Dulyn yn datblygu argymhelliad Sefydliad Iechyd y Byd ar gyfer creu Cymunedau sy'n Gyfeillgar i Oed, yn ogystal â rhaglen Heneiddio'n Dda yng Nghymru Llywodraeth Cymru, sydd â'r nod o wella lles pobl sydd dros 50 mlwydd oed.

### **Cymunedau sy'n Gyfeillgar i Oed**

Roedd Cymunedau sy'n Gyfeillgar i Oed (AFC) yn Brosiect INTERREG 4a a ariannwyd rhwng Iwerddon a Chymru, ac a ariannwyd yn rhannol gan Gronfa Datblygu Rhanbarthol Ewrop. Mae'n dwyn ynghyd y pum partner canlynol yn Iwerddon a Chymru, i ddatblygu strategaethau sy'n pontio'r cenedlaethau (lleol a rhyngwladol), ac i dreialu gweithgareddau perthnasol:

- Cyngor Bwrdeistref Sirol Conwy (Partner Arweiniol – Cymru)
- Rhwydwaith Heneiddio'n Dda (Iwerddon) – sefydliad dielw sy'n gweithio gyda Chyngor Sir Kildare
- Cyngor Sir Ynys Môn (Cymru)
- Cyngor Sir Kilkenny (Iwerddon)
- Cyngor Sir Benfro (Cymru)

Amcanion y prosiect oedd:

- Creu cymuned fywiog i bawb, drwy gefnogi datblygiad strategaethau sy'n pontio'r cenedlaethau ar draws ffiniau ac ar lefel leol;
- Creu cymunedau cydlynol drwy roi prosiectau pilot ar waith sy'n targedu cynhwysiad cymdeithasol pobl hŷn yn y gymdeithas;
- Casglu, diogelu a chadw treftadaeth ddiwylliannol, drwy atgyfnerthu delwedd gadarnhaol pobl hŷn yn y gymdeithas;
- Sicrhau lles pobl drwy annog gweithgareddau dysgu gydol oes.

### **Roedd y meysydd a drafodwyd yn y cyfarfod yn cynnwys:**

- Cymunedau sy'n Gyfeillgar i Oed;
- Cyngor Sir Benfro fel cyflogwr pobl dros 50 mlwydd oed;
- Arfer y Cyngor o recriwtio gweithwyr newydd dros 50 mlwydd oed;
- Rhwystrau i gyflogaeth ar gyfer pobl dros 50 mlwydd oed;
- Unrhyw argymhellion ar gyfer Llywodraeth Cymru

## **Working Links**

Mae Working Links yn gwmni cyhoeddus–preifat–gwirfoddol ledled y DU sydd â chyfranddalwyr. Ers 2000, maent wedi helpu 30,000 o bobl yng Nghymru i sicrhau cyflogaeth.

Ers mis Mehefin 2011, Working Links Cymru fu un o'r ddau ddarparwr y Rhaglen Waith yng Nghymru. Mae ganddynt 15 o swyddfeydd ledled Cymru yn ogystal â 20 o safleoedd partner sy'n cyflawni'r Rhaglen Waith yn uniongyrchol ar eu rhan, fel Coleg Sir Benfro, Cyngor Dinas Casnewydd, Hyfforddiant Torfaen, Remploy ac Agoriad Cyf.

Mae Working Links hefyd yn gyfrifol am Ddewis Gwaith (ar gyfer hawl wyr budd-daliadau anabl), am Leoliadau Gwaith Cymunedol (ar gyfer hawl wyr ar ôl y Rhaglen Waith) ac am y Contract Cronfa Cymorth Hyblyg (FSF) yn Ne-ddwyrain Cymru. Darperir y Gronfa Cymorth Hyblyg ar gyfer hawl wyr o ddechrau eu cyfnod hawlio budd-dal, ac roedd Working Links hefyd yn gyfrifol am gontract FSF arall sy'n canolbwyntio ar gymorth ar ôl y Rhaglen Waith yn Abertawe ym mis Ionawr 2015. Ym mis Hydref 2014, cadarnhawyd Working Links fel y cynigydd a ffefrir yng Nghymru i gynnal y rhaglen Gweddnewid Adsefydlu y Weinyddiaeth Cyfiawnder.

**Roedd y meysydd a drafodwyd yn y cyfarfod yn cynnwys:**

- Rhwystrau i gyflogaeth ar gyfer pobl dros 50 mlwydd oed;
- Y gefnogaeth sydd ar gael i helpu pobl dros 50 mlwydd oed yn ôl i weithio;
- Recriwtio pobl dros 50 mlwydd oed;
- Unrhyw argymhellion ar gyfer Llywodraeth Cymru

**Cyngres yr Undebau Llafur (TUC) Cymru**

Mae Llywodraeth Cymru yn darparu arweiniad a chymorth ariannol i Gyngres yr Undebau Llafur yng Nghymru, i'w helpu i ymestyn cyfleoedd dysgu, i ddatblygu partneriaethau ac i wneud y gorau o effaith cynrychiolwyr dysgu'r undebau. Unionlearn yw sefydliad dysgu a sgiliau y TUC. Mae'n gweithio i gynorthwyo undebau i ddarparu cyfleoedd dysgu ar gyfer eu haelodau, yn ogystal â rheoli Cronfeydd Dysgu'r Undebau.

**Roedd y meysydd a drafodwyd yn y cyfarfod yn cynnwys:**

- Hyfforddiant ar gyfer pobl dros 50 mlwydd oed;
- Rhwystrau i gyflogaeth ar gyfer pobl dros 50 mlwydd oed;
- Recriwtio pobl dros 50 mlwydd oed;
- Unrhyw argymhellion ar gyfer Llywodraeth Cymru

**Y Sefydliad Cenedlaethol dros Addysg Barhaus i Oedolion (NIACE)**

Y Sefydliad Cenedlaethol dros Addysg Barhaus i Oedolion (NIACE) yw'r sefydliad cenedlaethol, annibynnol ar gyfer dysgu i oedolion yng Nghymru a Lloegr. Mae

NIACE yn hyrwyddo buddiannau pob dysgwr a darpar ddysgwr sy'n oedolyn, yn enwedig y rhai sydd wedi elwa leiaf ar addysg a hyfforddiant. Ceisia NIACE gyflawni hyn drwy:

- Gynnal ymgyrchoedd proffil uchel fel yr Wythnos Addysg Oedolion, Tymor Cofrestru a Chymryd y Llyw;
- Cynnwys y cyfryngau lleol a chenedlaethol;
- Cyflawni gwaith ymchwil, datblygu ansawdd a gwaith gwerthuso o safon uchel;
- Darparu gwasanaethau ymgynghori, cyngor a chymorth arbenigol;
- Cynnwys gwneuthurwyr polisiau;
- Cefnogi camau i rwydweithio gydag ymarferwyr, gwneuthurwyr polisiau ac ymchwilwyr;
- Cyhoeddi llyfrau a chyfnodolion blaenllaw;
- Lledaenu gwybodaeth arbenigol; a
- Darparu cyrsiau hyfforddiant hyblyg a phersonol.

**Roedd y meysydd a drafodwyd yn y cyfarfod yn cynnwys:**

- Hyfforddiant ar gyfer pobl dros 50 mlwydd oed;
- Rhwystrau i gyflogaeth ar gyfer pobl dros 50 mlwydd oed;
- Unrhyw argymhellion ar gyfer Llywodraeth Cymru

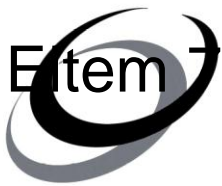
**John Lewis**

Mae Partneriaeth John Lewis yn fusnes cydberchnogol. Daw pob person sy'n cael ei recriwtio o'r newydd i John Lewis yn bartner yn y busnes, sy'n cael dweud ei ddweud am y modd y caiff y busnes ei redeg, a chyfran o'r elw. Agorodd John Lewis eu siop yng Nghaerdydd ym mis Medi 2009. Ar amser yr agoriad, roedd John Lewis yn cyflogi dros 800 o bobl yng Nghaerdydd; hon oedd y siop adrannol fwyaf yng Nghymru a'r siop John Lewis fwyaf y tu allan i Lundain.

**Roedd y meysydd a drafodwyd yn y cyfarfod yn cynnwys:**

- Partneriaid John Lewis sydd dros 50 mlwydd oed;
- Recriwtio pobl dros 50 mlwydd oed;
- Rhwystrau i gyflogaeth ar gyfer pobl dros 50 mlwydd oed;
- Unrhyw argymhellion ar gyfer Llywodraeth Cymru





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At: William Graham AC, Cadeirydd y Pwyllgor Menter a Busnes  
CC: Dr Siân Phipps, Clerc y Pwyllgor Menter a Busnes,  
Rachel Jones, Dirprwy Glerc y Pwyllgor Menter a Busnes

## **Ynghylch: Ymchwiliad y Pwyllgor i gyfleoedd cyflogaeth i bobl dros 50 oed**

3ydd Mawrth 2015

Annwyl Gadeirydd,

Yn dilyn eich sesiwn dystiolaeth gyda ColegauCymru a WEA Cymru wythnos diwethaf (25 Chwefror)<sup>1</sup>, hoffwn egluro un mater ynghylch datblygu Strategaeth Sgiliau Pobl Hŷn. Soniodd cydweithwyr o ColegauCymru a WEA Cymru y byddwn i'n datblygu ac yn paratoi Strategaeth Sgiliau ar gyfer Pobl Hŷn, yng nghyd-destun Heneiddio yn dda yng Nghymru. I egluro, mae datblygu Strategaeth Sgiliau ar gyfer Pobl Hŷn yn ymrwymiad gan Lywodraeth Cymru ac mae wedi'i nodi yn ei Strategaeth ar gyfer Pobl Hŷn 2013-23 (P20)<sup>2</sup>. Fe fyddai cydlynu'r Strategaeth gyda Heneiddio'n Dda yng Nghymru o fudd.

Fel y soniais yn fy nhystiolaeth ysgrifenedig<sup>3</sup>, nid yw'r ddogfen wedi'i chyhoeddi eto, a byddwn yn croesawu diweddariad gan Lywodraeth Cymru ynghylch ei datblygiad. Byddwn yn croesawu'r cyfle i gyfrannu at Strategaeth Sgiliau y mae galw mawr amdani ac rwy'n cydnabod gwerth a chyfraniad y strategaeth at nodau a chanlyniadau Heneiddio yn Dda yng Nghymru, yn arbennig y thema blaenoriaeth Cyfleoedd ar gyfer Dysgu a Chyflogaeth.

<sup>1</sup><http://www.senedd.cynulliad.cymru/ielIssueDetails.aspx?Ild=11339&PlanId=0&Opt=3%20-%20AI21284>

<sup>2</sup><http://gov.wales/topics/health/publications/socialcare/strategies/older/?skip=1&lang=cy>

<sup>3</sup><http://www.senedd.assembly.wales/documents/s35635/EBC4-03-15%20p.1%20Older%20Peoples%20Commissioner%20for%20Wales.pdf>



Dymuniadau gorau

*Sarah Rochira*

Sarah Rochira

**Comisiynydd Pobl Hŷn Cymru**

